

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 07-094**

**GUNSTOCK ACRES VILLAGE WATER DISTRICT**

**Petition for Authority to Expand Franchise and Serve Outside District Boundary**

**Order Approving Petition**

**ORDER NO. 24,834**

**March 21, 2008**

On August 31, 2007, Gunstock Acres Village Water District (Gunstock) filed a petition requesting authority to expand its franchise and serve a single customer outside its District boundaries. Gunstock is a municipal corporation and is not regulated by the Commission. It currently serves approximately 700 customers in Gilford.

Gunstock was approached by a family that resides just outside the District on Hook Road in Gilford, seeking permission to connect to Gunstock's water system. This family obtains its domestic water from a well located on its property and, after purchasing the home in 2005, has experienced difficulty with that well running dry. After contacting a local well company, the family found out that the previous owner of the property had the same problems, and in fact attempted to increase the well's production, without success. The family was unaware of these facts when it purchased the home.

After consulting with the town's administrator, the family discussed with Gunstock the possibility of connecting to the Gunstock water system. The commissioners of the water district agreed to permit the family to connect, and filed the instant petition for Commission approval to serve this single customer outside District boundaries. Gunstock indicates that it will charge the

family the same rate as customers inside the District and will provide it with the same quality and quantity of water. Included with Gunstock's petition is a copy of a portion of the Town of Gilford's tax map, identifying the family's property as Lot 95. Gunstock will extend a main of approximately 50 feet to serve this family.

On March 14, 2008, Staff filed a letter recommending approval of Gunstock's petition. Staff stated that it had conducted discovery and attached the discovery responses to its letter. Included with the discovery responses is a letter from the Department of Environmental Services (DES), indicating the support of DES for the expansion of the Gunstock franchise and indicating that the Gunstock water system meets the availability and suitability requirements of RSA 374:22, III. Staff indicated that approval of the petition would not affect Gunstock's status as a municipal corporation exempt from Commission regulation, since Gunstock's service to this single customer will be provided at a rate no higher than 15 percent above that charged to Gunstock's municipal customers, pursuant RSA 362:4, III-a.

The Commission grants requests for franchise authority and allows an entity to engage in the business of a public utility when it finds, after due hearing, that the exercise of the right, privilege, or franchise is for the public good. RSA 374:26. In determining whether a proposed franchise is for the public good, the Commission assesses, among other things, the managerial, financial, and technical expertise of the petitioners. *See Lower Bartlett Water Precinct*, Order No. 23,562, 85 NH PUC 635, 641 (2000).

Another relevant issue concerns the proximity of the proposed service territory to nearby franchises. This issue is important when different entities hold franchises within the same municipality. We authorize expansion of water franchises that are consistent with the orderly

development of the region. *See Pennichuck Water Works*, 72 NH PUC 589, 593 (1987).

According to Gunstock's data responses, there is no other public water service in the area, and this family's declining well output necessitates it finding an alternative supply. A water main is just 50 feet from the family's property line and the DES has provided a letter supporting the connection and indicating that the District's water supply meets the availability and suitability requirements consistent with RSA 374:22, III. The proximity of Gunstock's main and Gunstock's available water supply supports a finding that the granting of the requested franchise authority will be consistent with the orderly development of the region.

Therefore, upon our review of the information on file concerning Gunstock's ability to provide water service, we find granting Gunstock a franchise to serve a single customer outside its corporate boundaries, also known as Lot 95 on Hook Road in Gilford, to be for the public good. Furthermore, pursuant to RSA 362:4, III-a (a)(1), a municipal corporation serving customers outside its corporate limits is not considered a public utility if the municipality provides a quantity and quality of water to outside customers that is equal to that provided within its corporate boundaries and charges a rate that is no higher than 15 percent above that charged to its municipal customers. We find that Gunstock will meet these requirements.

**Based upon the foregoing, it is hereby**

**ORDERED**, that Gunstock Acres Village Water District's petition to expand its franchise to serve a single customer outside its District boundaries, as described above, is hereby approved; and it is

**FURTHER ORDERED**, that Gunstock's provision of service outside its boundaries to Lot 95 on Hook Road in Gilford is not subject to Commission regulation pursuant to RSA 362:4, III-a.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of March, 2008.

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Thomas B. Getz  
Chairman

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Graham J. Morrison  
Commissioner

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Clifton C. Below  
Commissioner

Attested by:

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Debra A. Howland  
Executive Director & Secretary